



State of California
Employment Training Panel

Training Proposal for:
Berberian European Motors
Agreement Type: **Small Business**
Agreement Number: **ET09-0297**

Panel Meeting of: **October 17, 2008**

ETP Regional Office: **Sacramento**

Analyst: J. Basquez

CONTRACTOR:

- Type of Industry: Services:
Priority Industry: ☐ Yes ☒ No
- Contractor's # of Full-Time Employees
 - *California:* 60
 - *Worldwide:* 60
 - *Number to be trained:* 50
- Turnover Rate: 12%
- Repeat Contractor: ☐ Yes ☒ No

CONTRACT:

- Training Project Profile: SET/HUA/Retrainee
- ETP Funding Amount: \$55,000
- In Kind Contribution: \$30,000
- Average Cost per Trainee: \$1,100
- Post Retention Wage: \$12.85
- Health Benefits: \$2.36 per hour
- Occupations to be Trained: Support Staff, Technical Staff, Production Staff, Lead Staff
- Training Menu:
 - ☒ Business skills ☐ Literacy skills
 - ☐ Commercial skills ☐ Management skills
 - ☒ Computer skills ☒ Manufacturing skills
 - ☒ Cont. Improvement ☐ Other:
- Range of Hours: 8 - 80 Weighted Average: 50
- Multiple Job Numbers: ☐ Yes ☒ No

- County(ies) Served: San Joaquin
- Union Representation: ☐ Yes ☒ No
- Subcontractor: Sallyanne Monti Consulting of San Francisco developed the proposal, training assessment, and plan for a fee of \$2,000.
- Third Party Services: The Jenks Group of Truckee for various training modules for a cost to be determined.

INTRODUCTION

Berberian European Motors (BEM) founded in 1989 by Ron Berberian, is a full service Mercedes and Volvo dealership providing sales, maintenance, parts distribution and inventory management. BEM states competition comes from local, national, and sometimes international markets.

BEM training has been in response to crisis management. The ETP funding will enable BEM to upgrade its technical capabilities, IT systems, and web capabilities and reduce its lead time through the implementation of Lean Manufacturing principles. Through train-the-trainer programs, BEM can bring training to all employees, taking a more proactive approach versus a reactionary approach to a limited amount of employees in only select areas of the business.

The industry is driven by web technology that enables customers to achieve immediate results by building and identifying vehicles for purchase or trade any hour of the day or night. This requires that work such as advanced diagnostics, maintenance, and other cutting edge technology remain in-house, enabling quick turn around and superior customer service.

The company qualifies for funding under Title 22, California Code of Regulations (CCR), Section 4409 (b), Special Employment Training (SET), for frontline workers in high unemployment areas of the state.

SET funds are limited to 10% of the training funds available each year. However, under SET, the company is not required to demonstrate out-of-state competition and the trainees are not required to meet eligibility standards for retraining. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

Wage Modification

BEM is requesting a modification below the SET Frontline wage for training at its facility in San Joaquin, which is in a High Unemployment Area (HUA). BEM is requesting \$12.85 per hour as a minimum wage in accordance with Title 22, CCR, Section 4429(c). This is the ETP minimum wage for San Joaquin County. In other words, the company is asking for a wage modification below the statewide average hourly, but not as low as allowed under HUA. (The HUA wage for that county is \$9.64 per hour).

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal, including the wage modification.